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### Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

DEC 22 2000

FEDERAL ODMONINGATIONS SEXUALIZATION

In the Matter of	) COCKET FILE COPY ORIGINAL
Citizens Telecommunications Company Of Montana and Qwest Corporation	) ) )
Joint Petition for Waivers of the Definition of "Study Area" Contained in Part 36, AppendixGlossary of the Commission's Rules	) CC Docket No. 96-45 ) )

#### JOINT PETITION FOR EXPEDITED WAIVERS

Richard M. Tettelbaum Suite 600 6905 Rockledge Drive Bethesda, MD 20817 (301) 897-5584

Attorney for

CITIZENS TELECOMMUNICATIONS COMPANY OF MONTANA

Philip J. Roselli Suite 700 1020 19th Street, N.W. Washington, DC 20036 (303) 672-2887

Attorney for

**QWEST CORPORATION** 

Of Counsel, Dan L. Poole

December 22, 2000

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#### SUMMARY

Qwest Corporation ("Qwest") has agreed to sell 10 of its Montana exchanges to Citizens Telecommunications Company of Montana ("Citizens"). These 10 exchanges collectively serve approximately 11,800 access lines. By this Joint Petition for Expedited Waivers ("Petition"), Qwest seeks a waiver to delete these 10 exchanges (including the <u>de minimis</u> number of North Dakota access lines served by the Fairview exchange) from its Montana study area.

Citizens seeks a waiver of the study area definition to establish a new study area consisting of the exchanges it is acquiring from Qwest. Although Citizens currently provides telephone service to approximately 8,800 access lines within the state of Montana, it is in the best interest of Citizens' customers that the acquired exchanges become a separate study area for the following reasons: (1) ensuring the impact is revenue neutral to the universal service fund by easing the tracking of the universal service impact of the acquired exchanges; (2) none of the acquired exchanges are contiguous to the existing Citizens study area; and (3) until the operating areas are combined from both a state and federal rate perspective, there is a detrimental revenue impact to Citizens' existing subscribers.

Qwest and Citizens respectfully request that the Federal Communications

Commission ("Commission") expeditiously review and approve this Petition. This

Petition raises no new issues of law, is supported by Commission precedent, and the

Citizens currently has one legal entity in Montana serving customers in three exchanges; Eureka, Libby and Troy, all located in northwest Montana.

<sup>&</sup>lt;sup>2</sup> See Attachment C for a map of Citizens' current Montana study area.

facts involved in this Petition clearly demonstrate that the public interest will be served by an expeditious grant.

## Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

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DEC 2 2 2000

FORFAL COMMINGATIONS CONTACTOR

In the Matter of	)	CONTRACT OF THE ESTIMATION
	)	
Citizens Telecommunications Company	)	
Of Montana and Qwest Corporation	)	
	)	
Joint Petition for Waivers of the Definition	)	CC Docket No. 96-45
of "Study Area" Contained in Part 36,	)	
AppendixGlossary of the Commission's	)	
Rules	)	

#### JOINT PETITION FOR EXPEDITED WAIVERS

#### I. INTRODUCTION

Qwest Corporation<sup>3</sup> ("Qwest") has agreed to sell 10 of its Montana exchanges to Citizens Telecommunications Company of Montana ("Citizens"). These 10 exchanges collectively serve approximately 11,800 access lines. By this Joint Petition for Expedited Waivers ("Petition"), Qwest seeks a waiver to delete these 10 exchanges from its Montana study area. Citizens seeks a waiver to establish a new Montana study area consisting of the exchanges it is acquiring from Qwest.

Citizens, a wholly-owned subsidiary of Citizens Communications Company (formerly known as Citizens Utilities Company, Inc.), is seeking to acquire Montana telecommunications property currently owned and operated by Qwest. Although Citizens currently provides telephone service to approximately 8,800 access lines

<sup>&</sup>lt;sup>3</sup> On June 30, 2000, U S WEST, Inc., the parent and sole shareholder of U S WEST Communications, Inc., merged with and into Qwest Communications International Inc. Further, on July 6, 2000, U S WEST Communications, Inc. was renamed Qwest Corporation.

within the state of Montana,<sup>4</sup> it is in the best interest of Citizens' customers that the acquired exchanges become a separate study area for the following reasons:

(1) ensuring the impact is revenue neutral to the universal service fund by easing the tracking of the universal service impact of the acquired exchanges; (2) none of the acquired exchanges are contiguous to the existing Citizens study area;<sup>5</sup> and

(3) until the operating areas are combined from both a state and federal rate perspective, there is a detrimental revenue impact to Citizens' existing subscribers.

Attachment A contains a list of the 10 exchanges being transferred to Citizens. Also included are approximately 282 access lines that are presently served by the Fairview exchange which are physically located in North Dakota.

The Federal Communications Commission ("Commission") should expeditiously review and approve this Petition. This Petition raises no new issues of law, and the facts involved in this Petition are similar to those involved in similar waiver requests that have been recently approved.

<sup>&</sup>lt;sup>4</sup> Citizens currently has one legal entity in Montana serving customers in three exchanges; Eureka, Libby and Troy, all located in northwest Montana.

<sup>&</sup>lt;sup>5</sup> See Attachment C for a map of Citizens' current Montana study areas.

See, e.g., In the Matter of Citizens Telecommunications Company of North Dakota and U S WEST Communications, Inc., Joint Petition for Waiver of Definition of "Study Area" Contained in the Part 36 Appendix-Glossary of the Commission's Rules, CC Docket No. 96-45, Memorandum Opinion and Order, DA 00-1548, rel. July 12, 2000; In the Matter of Petition for Waivers Filed by Union Telephone Company, Inc. and U S WEST Communications, Inc. Concerning Section 61.41(c)(2) and 69.3(e)(11) and the Definition of "Study Area" Contained in the Part 36 Appendix-Glossary of the Commission's Rules, Memorandum Opinion and Order, 12 FCC Rcd. 1840 (1997); In the Matter of Petitions for Waivers Filed by Alpine Communications, L.C., Butler-Bremer Mutual Telephone Company, Clarksville Telephone Company, Dumont Telephone Company, Grand River Mutual Telephone Corporation, Heartland Corporation, South Central Communications, Inc.,

#### II. THE COMMISSION'S STUDY AREA FREEZE SHOULD BE WAIVED

Part 36 of the Commission's rules "freezes" the definition of "study area" to the boundaries that were in existence on November 15, 1984. This "freeze" was due, in part, to the Commission's concern over the level of interstate cost recovery by local exchange carriers ("LEC") from the Universal Service Fund ("USF"): "[t]he Commission took that action, in part, to ensure that LECs do not set up high cost exchanges within their existing service territories as separate study areas to maximize high cost support." At the same time, the Commission recognized that its rules were not aimed at discouraging "the acquisition of high cost exchanges or the expansion of service to cover high cost areas." Indeed, the Commission's Common Carrier Bureau ("Bureau") has implemented this policy decision by holding that changes in study areas that "result from the purchase or sale of

Universal Communications, Inc., and U S WEST Communications, Inc. Concerning Sections 61.41(c)(2), 69.3(e)(11), 69.3(i)(4), 69.605(c) and the Definition of "Study Area" Contained in the Part 36 Appendix-Glossary of the Commission's Rules, Memorandum Opinion and Order, 12 FCC Rcd. 2367 (1997).

<sup>&</sup>lt;sup>7</sup> <u>See</u> 47 C.F.R. Part 36, Appendix--Glossary.

In the Matter of U S WEST Communications, Inc. and Eagle Telecommunications, Inc. Joint Petition for Waiver of the Definition of "Study Area" Contained in Part 36, Appendix-Glossary of the Commission's Rules and Eagle Telecommunications, Inc. Petition for Waiver of Section 61.41(c) of the Commission's Rules, Memorandum Opinion and Order, 10 FCC Rcd. 1771, 1773 ¶ 10 (1995) ("Eagle Decision"), citing In the Matter of MTS and WATS Market Structure, Amendment of Part 67 of the Rules, and Establishment of a Joint Board, CC Docket Nos. 78-72 and 80-286, 50 Fed. Reg. 939 (Jan. 8, 1985).

<sup>&</sup>lt;sup>°</sup> In the Matter of MTS and WATS Market Structure, Amendment of Part 67 of the Commission's Rules and Establishment of a Joint Board, CC Docket Nos. 78-72 and 80-286, 49 Fed. Reg. 48325, 48337 ¶ 65 (Dec. 12, 1984).

exchanges in arms-length transactions" "do not conflict" with the concerns prompting the study area freeze. 10

The Commission has also established a three-prong test for deciding whether study area waivers should be granted. The Commission should approve such waiver requests if it determines:

[F]irst, that the change will not affect adversely the USF support program;

[S]econd, that the state commission having regulatory authority does not object to the change; and

[F]inally, that the public interest supports grant of the waiver. 11

As demonstrated herein, the primary concern prompting the "freeze" in study areas is not an issue in this transaction, and the Commission's three-prong test will be satisfied. Accordingly, Qwest and Citizens respectfully request that the Commission grant the study area waivers permitting: (1) Qwest to remove these 10 exchanges at issue from its Montana study area; and (2) the affiliation of these exchanges within Citizens' newly-established Montana study area.

#### A. The USF Impact Arising From This Transaction

Since carriers purchasing high-cost exchanges can only receive the same level of support per line as the seller received prior to the sale, by definition there can be

In the Matter of Contel of the West Petition for Waiver of Section 36.125(f), Sections 36.154(e)(1) and (2), and the Definition of "Study Area" contained in Part 36, Appendix-Glossary, of the Commission's Rules, Oregon-Idaho Utilities, Inc., Petition for Waiver of the Definition of "Study Area" contained in Part 36, Appendix-Glossary, of the Commission's Rules, Memorandum Opinion and Order, 5 FCC Rcd. 4570, 4571 ¶ 9 (1990) (emphasis added).

no USF impact in these transactions. Citizens will receive the same amount of support as Qwest currently receives in these 10 Montana exchanges, so this transaction is a non-event for purposes of the USF. <sup>12</sup> Unbundled network element ("UNE") zone rates have not been approved for Qwest in the Montana study area. Based on the 2001 support per line provided by the fund administrator and June 2000 line counts, Qwest will receive a projected annual amount of \$12,081 in the Montana study area for 2001. This amount will be reduced slightly to \$11,718 upon completion of the sale. The difference of \$363 is the Interstate Access Universal Service Support that Citizens will receive.

B. Neither The Montana Public Service Commission Nor The North Dakota Public Service State Commissions Object To The Proposed Change In Study Area Boundaries

On December 21, 2000, the Montana Public Service Commission ("Montana PSC") issued a letter stating that they have no objection to the FCC granting the study area waivers. 13

On February 9, 2000, the Public Service Commission of North Dakota issued a letter stating that it "has no objection to the removal of the Fairview, MT

<sup>&</sup>lt;sup>11</sup> See, Eagle Decision, 10 FCC Rcd. at 1772 ¶ 5 (footnotes omitted).

<sup>&</sup>lt;sup>12</sup> In the Matter of Federal-State Joint Board on Universal Service, Report and Order, 12 FCC Rcd. 8776, 8942-943 ¶ 308 (1997); aff'd, rev'd and remanded in part sub nom. Texas Office of Public Utility Counsel v. FCC, 183 F.3d 393 (5th Cir. 1999); pets. for reh'g. and reh'g. en banc denied, Sep. 28, 1999, mandate issued Nov. 2, 1999; pet. for cert. granted, S. Ct. No. 99-1244.

<sup>&</sup>lt;sup>13</sup> See Attachment D.

exchange from U S WEST's study area and its addition to the appropriate study area of the acquiring company."<sup>14</sup>

C. The Public Interest Will Be Served By Grant Of The "Study Area" Waiver Requested Herein

Citizens plans to invest approximately \$12 million in the 10 exchanges it is purchasing during the first four years of ownership. While some of this capital investment will be used to perform maintenance, the remainder will be used to upgrade the network to provide enhanced services. Citizens plans to provide broadband/digital subscriber line services in the future when there is sufficient demand to make it possible to provide these services at an affordable cost.

Citizens has provided a description of the to-be-acquired service areas, as well as its proposed operations and upgrades associated with the to-be-acquired exchanges. <sup>15</sup> Moreover, Citizens and Qwest have fully provided the information associated with their respective portions of the transaction as recommended by the Bureau. <sup>16</sup>

In light of the above, Qwest and Citizens believe that the public interest would be served by the granting of the study area waivers requested herein.

#### III. CONCLUSION

For the reasons stated herein, Qwest and Citizens respectfully request that the Commission expeditiously review and approve this Petition. This Petition

<sup>&</sup>lt;sup>14</sup> See Attachment D

<sup>&</sup>lt;sup>15</sup> See Attachment B.

raises no new issues of law, is supported by Commission precedent, and the facts involved in this Petition clearly demonstrate that the public interest will be served by such an expeditious grant. Qwest and Citizens respectfully submit that an expeditious grant of this Petition will serve the public interest by affording the residential and business customers of these rural exchanges the benefits of the planned transfers.

Respectfully submitted,

CITIZENS TELECOMMUNICATIONS

COMPANY OF MONTNANA

By:

Richard M. Tettelbaum

Suite 600

6905 Rockledge Drive Bethesda, MD 20817

(301) 897-5584

Its Attorney

**QWEST CORPORATION** 

By:

Philip J. Roselli

Suite 700

1020 19th Street, N.W. Washington, DC 20036

(303) 672-2887

December 22, 2000

Of Counsel.

Dan L. Poole

Its Attorney

<sup>&</sup>lt;sup>16</sup> See, Public Notice, Common Carrier Bureau Establishes Expedited Processing Procedures for Petitioners Seeking Part 36 Study Area Waivers, 10 FCC Rcd. 13228 (1995). Citizens' specific information is provided herein as Attachment B.

#### **ATTACHMENT A**

#### LIST OF THE MONTANA EXCHANGES AND ACCESS LINES

CLLI	Lines
CLSTMTMA	1,291
CNRDMTMA	2,197
CKCYMTMA	250
CTBNMTMA	2,384
<b>EGPKMTMA</b>	398
FRVWMTMA	848
FRSYMTMA	1,556
SHLBMTMA	2,041
STMYMTMA	309
WGLCMTMA	490
	CLSTMTMA CNRDMTMA CKCYMTMA CTBNMTMA EGPKMTMA FRVWMTMA FRVWMTMA FRSYMTMA SHLBMTMA STMYMTMA

#### ATTACHMENT B

# RESPONSE OF QWEST CORPORATION ("QWEST") AND CITIZENS TELECOMMUNICATIONS COMPANY OF MONTANA ("CITIZENS") TO THE COMMON CARRIER BUREAU'S LIST OF INFORMATION TO ACCOMPANY STUDY AREA WAIVER REQUESTS

1. A copy of the order, or other certified document, that states that the state telecommunications regulatory authority does not object to the requested study area waiver.

#### Response:

See Attachment D.

2. A copy of any order adopted by, or plan imposed by, a state commission that obligates the selling and/or purchasing local exchange carrier ("LEC") to upgrade or extend existing service.

#### Response:

There is no applicable state commission order or plan that creates an obligation on Qwest to upgrade or extend existing service.

Citizens has expressed an intent to upgrade service in the Montana exchanges it is purchasing from Qwest. See Question 3.

3. A statement by the purchaser of all planned upgrades to the facilities being acquired with estimates of the costs of those upgrades. That statement should include detailed descriptions of all planned upgrades and extensions of service, the costs of the planned upgrades and extensions of service, proposed timetables for any upgrades, proposed timetables for extension of service, and construction and investment plans.

#### Response:

Citizens plans to invest approximately \$12 million in the 10 exchanges it is purchasing during the first four years of ownership. While some of this capital investment will be used to perform maintenance, the remainder will be used to upgrade the network to provide enhanced services. Citizens plans to provide broadband/digital subscriber line services in the future when there is sufficient demand to make it possible to provide these services at an affordable cost.

4. The numerical effects of the proposed transaction on the Universal Service Fund ("USF"). To isolate those effects, estimates should be provided of the seller's and purchaser's USF draw (i.e., receipts from the USF administrator) as if the transferred exchanges (and, in the case of the seller, the remaining exchanges) were set up as a separate study area before and after the planned upgrades. Complete copies of all studies performed in estimating these effects should be included. The studies should be accompanied by an explanation of the extent to which the studies include, and exclude, the effects of any state orders, or buyer-planned upgrades and/or extensions of service.

#### Response:

FCC rules require that the USF high-cost fund impact will remain revenue neutral. Thus, Citizens' USF draw will be equal to the Qwest draw for the transferred exchanges at the time of the sale. According to the most current information from the FCC's website, Quarterly Administrative filings; Appendices HC9, the annualized amounts for these 10 exchanges would be \$243,058.60.

Unbundled network element ("UNE") zone rates have not been approved for Qwest in the Montana study area. Based on the 2001 support per line provided by the fund administrator and June 2000 line counts, Qwest will receive a projected annual amount of \$12,081 in the Montana study area for 2001. This amount will be reduced slightly to \$11,718 upon completion of the sale. The difference of \$363 is the Interstate Access Universal Service Support that Citizens will receive.

5. If the proposed transaction will increase the USF draw of either the seller or the purchaser, the extent to which local ratepayers will assume the costs of planned upgrades and the extent to which local ratepayers will assume the costs of planned extensions of service.

#### Response:

For the six month period following the Closing Date, Citizens will adopt and maintain intrastate tariffs similar in all material respects to Qwest's intrastate tariffs in effect for the exchanges on the Closing Date.

6. All accounting entries, using actual dollar amounts, if known, and estimated dollar amounts if not known, that the seller and purchaser intend to use to record the transaction for accounting purposes.

#### Response:

Please refer to Appendix A for an illustration of the accounting entries both Qwest and Citizens plan to use for the contemplated transaction.

7. The buyer's plan for disposition of amounts recorded in Account 32.2005, Telecommunications Plant Adjustment, related to the purchase.

#### Response:

Citizens does not intend to request permission to record amortization of amounts in Account 32.2005, Telecommunications Plant Adjustment to Account 6565, Amortization Expense - Other.

8. A schedule, prepared by the seller, of the plant being sold that includes: the gross book value, accumulated depreciation, and dates of installation of the plant that is subject to the transaction.

#### Response:

No Longer required.

9. The interstate separations factors applicable to the seller's remaining plant, and the interstate separation factors that will be applicable to the transferred plant when acquired by the purchaser.

#### Response:

For Qwest, the 1999 interstate ratio of Dial Equipment Minutes for Montana prior to the sale is 15.38%, for the exchanges being sold to Citizens is 17.42%, and for the remaining Montana exchanges is 15.36%. The 1999 Subscriber Plant Factor is 0.25.

For Citizens, the 1999 interstate ratio of Dial Equipment Minutes for the Montana exchanges unweighted is 17.42%.

10. Pro-forma revenue requirement calculations (interstate, intrastate and total), pre-sale and post-sale, for both the buying and selling LECs.

#### Response:

Qwest's accounting system does not track financial results on an exchange basis. These amounts are based on a current estimate of the book value of the assets and Qwest cost estimates. Certain cost estimates are the result of allocations among the exchanges. Assets do not include additional investments, retirements, depreciation or adjustments which will be made in the period interim to the sale closing. These estimates do not represent complete costs which will be appropriately determined by the buyer. Qwest's estimated 1999 Interstate Revenue Requirement for the exchanges being sold to Citizens is calculated as follows:

Total State Revenue Requirement Analysis is "pre-Sale" *Estimates based on 1999 Results	Intrastate	Interstate	Combined
Average Net Investment (Rate Base) Return on Investment Operating Expense	222,256,000 24,314,806 139,849,000	93,599,000 10,529,888 51,688,000	315,855,000 34,844,694 191,537,000
Total Taxes Total Revenue Requirement	9,551,357 173,715,164	4,070,786 66,288,673	13,622,143 240,003,837
Revenue Requirement Analysis of Rural Exchanges to be Sold Based on 1999 Results			
Average Net Investment (Rate Base)	7,448,247	2,868,933	10,317,180
Return on Investment	814,838	322,755	1,137,593
Operating Expense Total Taxes	4,295,414 321,594	1,715,337 120,678	6,010,751 442,272
Total Revenue Requirement	5,431,846	2,158,769	7,590,616
Total Sales Revenue Requirement Analysis "Post Sale" Estimated 1999 "Post Sale" Results			
Average Net Investment (Rate Base) Return on Investment	214,807,753 23,499,968	90,730,067 10,207,133	305,537,820 33,707,101
Operating Expense Total Taxes	135,553,586 9,229,763	49,972,663 3,950,108	185,526,249 13,179,871
Total Revenue Requirements	168,283,318	64,129,904	232,413,221

#### Citizens – Montana FCC Filing

#### Revenue Requirement Summary

Description	Intrastate	Interstate	Combined
2000 Pre-Sale:			
Average Net Investment (Rate Base)	0	0	0
Return on Investment	0	0	0
Operating Expense	0	0	0
Total Taxes	0	0	0
Total Revenue Requirement	0	0	0
Estimated Post Sale:*			
Average Net Investment (Rate Base)	14,897,399	5,383,136	20,280,535
Return on Investment	1,608,919	605,603	2,214,522
Operating Expense	4,378,417	1,503,667	5,882,084
Total Taxes	1,766,284	663,799	2,430,083
Total Revenue Requirement	7,753,620	2,773,069	10,526,689

<sup>\*</sup>Reflects estimate after first full year of operation.

The number of access lines: (i) presently provided in the seller's study area; (ii) presently provided by the purchaser in each study area in that state; and (iii) that will be transferred.

#### Response:

Qwest has approximately 370,000 access lines in the State of Montana. Citizens has approximately 9,100 access lines in Montana. Approximately 11,800 access lines are being transferred to Citizens as a result of the proposed transaction.

12. A map on which each of the following areas has been clearly outlined: (i) the service areas of the exchanges being transferred; (ii) the pre-transfer study area boundaries of the seller; and (iii) the study area boundaries of all study areas that the purchaser (and/or its affiliates) own in the state in which the exchanges are to be transferred are located.

#### Response:

See Attachment C.

#### APPENDIX A

### SUMMARY OF ACCOUNTING ENTRIES (000)

#### **QWEST (SELLER'S BOOKS):**

Debit Cash (Account 1120)	24,183	
Debit Accumulated Depreciation (Account 3100)	17,159	
Credit Plant in Service (Account 2001)	30,666	
Credit Gain (Account 7350)	10,676	

These amounts are based on a current estimate of the book value of the assets. The entries are the cost of assets being sold at a point in time prior to the sale closing. As such they do not include additional investments, retirements, depreciation or adjustments which will be made in the period interim to the sale closing. Cash entries are based on the Agreement For Purchase And Sale of Montana exchanges dated June 16, 1999. These do not represent final cash or asset distributions within the buying group. Until final closing these entries are preliminary and based on Qwest estimates only.

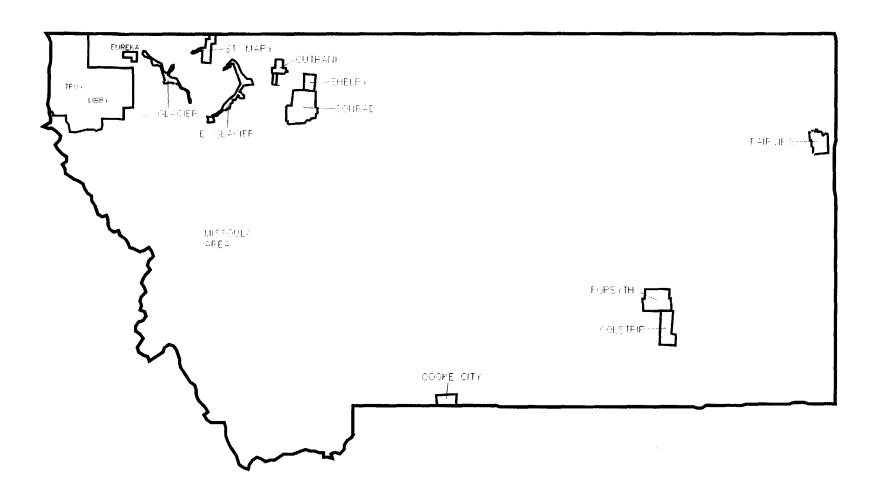
#### CITIZENS (BUYER'S BOOKS):

Debit Plant in Service (Account 2001)	30,666
Debit Telecommunications Plant Adjustment	10,676
(Account 2005)	
Credit Cash (Account 1120)	24,183
Credit Depreciation Reserve (Appropriate Plant Accounts)	17,159

The amounts above are based on the most current estimate of the sales price and net book value of the investment. The purchase agreement provides for numerous purchase price adjustments. The price at closing, therefore, may be higher or lower than our estimates listed above. The above entries deal only with the current cost of assets being sold and do not include additional investments which will be made by Citizens or Qwest prior to the sale.

## ATTACHMENT C MAP

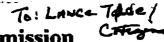
### Montana Exchanges & Boundaries



- Existing Citizens Property
- Citizens-US West Purchase Agreement (11/99)



## ATTACHMENT D STATE LETTERS





### Montana Public Service Commission

Dave Fisher, Chairman Nancy McCaffree, Vice Chair Bob Anderson Gary Feland Bob Rowa 1701.Prospect Avenue PO Box 202601 Helena, MT 59620-2601 Telephone: (406) 444-6199 FAX#: (406) 444-7618 http://www.psc.state.mt.us

December 21, 2000

Ms. Katherine Schroder
Deputy Chief Accounting Policy Division
Federal Communications Commission
445 12<sup>th</sup> Street SW
Washington, DC 20554

RE: Request for Study Area Waiver

Dear Ms. Schroder:

On behalf of the Montana Public Service Commission (Montana PSC), I submit this letter in anticipation of the filing of a joint petition for waiver of study area boundary by Citizens Telecommunications Company of Montana (Citizens) and Qwest Corporation. Citizens is in the process of acquiring telephone exchanges from Qwest and has requested that the Montana PSC send you a letter of "no objection" to Citizens and Qwest seeking a study area waiver from the Federal Communications Commission (FCC).

It is the PSC's understanding that pursuant to the Common Carrier Bureau's order issued June 21, 1995, in Dockets DA 95-1403 and AAD 95-78, local exchange carriers must file with the FCC, as part of any petition for a waiver of a study area boundary, a state certificate or other valid document that demonstrates that the affected state commission does not object to a proposed reconfiguration of study area boundaries. Citizens desires to proceed with the study area waiver in order to expedite the closing of the transaction with Qwest, should the Montana PSC ultimately grant approval.

The Montana PSC is in the middle of a contested case proceeding in our Docket No. D2000.1.11 to address the joint application filed by Citizens and Qwest on January 21, 2000 for approval of the transaction. The PSC has not yet scheduled the public hearing(s) on the application. Consequently, the PSC has not made a determination on whether the transaction is in the public interest nor has it approved the transaction in a final order. The Montana PSC submits this letter without prejudice to its decision-making process in this Docket, in order to expedite the FCC's initiating its review of the request for a study area waiver.

With the FCC's understanding that the PSC will continue with its contested case process, the PSC does not object to the FCC's granting the necessary study area waivers that would be required by the proposed sale of Qwest exchanges to Citizens in Montana. In submitting this

Utility Consumer Complaints: 600-646-6150

An Equal Employment Opportunity Employer

Ms. Katherine Schroder
Federal Communications Commission
December 21, 2000
Page 2

lenter of no objection, the PSC reserves the right to take any necessary steps to assure that if the waiver is granted, it will not adversely affect Citizens' customers.

The Montana Public Service Commission intends that this letter be accepted as compliance with the requirements set forth in the Common Carrier Bureau's order issued June 21, 1995 (DA 95-1403 and AAD 95-78).

Sincerely,

Dave Fisher, Chairman

DF:DP:rs

COMMISSIONERS

Bruce Hagen

President

Susan E. Wellald

Leo M Reinbold



### Public Service Commission State of North Dakota

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Fax 701-323-24
Phone 701-328-240

Executive Secreta Jon H. Miel

February 9, 2000

CC: 96-45

Katherine Scnroder
Deputy Chief Accounting Policy Division
Federal Communications Commission
445 12<sup>th</sup> Street SW
Washington, D.C. 20554

Re: Sale of U S WEST Communications, Inc. Exchanges in Montana

Dear Ms. Schroder:

By this letter the North Dakota Public Service Commission (NDPSC) notifies the Federal Communications Commission that the NDPSC recently approved the sale of the portion of the Fairview, MT telephone exchange that serves North Dakota customers by U S WEST Communications, Inc. to Citizens Telecommunications of Montana.

The NDPSC has no objection to the removal of the Fairview, MT exchange from U S WEST's study area and its addition to the appropriate study area of the acquiring company.

Susan Wefald Commissioner

Bruce Hagen President

Leo M. Reinbold Commissioner

Cc:

U S WEST Communications, Inc.
Citizens Telecommunications of Montana

#### **CERTIFICATE OF SERVICE**

I, Kelseau Powe, Jr., do hereby certify that on the 22<sup>nd</sup> day of December, 2000, I have caused a copy of the foregoing **JOINT PETITION FOR EXPEDITED**WAIVERS to be served, via hand delivery (marked with an asterisk) or first class

United States mail, postage prepaid, upon the persons listed on the attached service list.

Kelseau Powe, Jr.

READ INSTRUC	TIONS CAREFULLY	Approved by OMB
BEFORE PROCE	EEDING	FEDERAL COMMUNICATIONS COMMISSION 3069-0589
		Page No. 1 -5
		REMITTANCE ADVICE  SPECIAL USE
(1) LOCKBO	X #	
358	140	FCC USE ONLY
	, , ,	SECTION A - PAYER INFORMATION
(2) PAYER NAM	IE (if paying by credit card.	enter name exactly as it appears on your card)  (3) TOTAL AMOUNT PAID (U.S. Dollars and cents)
QWEST		14/10/01 1 1 1 1 1 1 1 1 6/2/2/01.000 1 1 1 1
C L .	DRESS LINE NO. 1	
(5) STREET ADI	DRESS LINE NO. 2 1 9 7 4   5 + 1	-ie e +  MW
Wash.	ا امامامارا	(7) STATE (8) ZIP CODE
(9) DAYTIME TI	ELEPHONE NUMBER (inc	lude area code) (10) COUNTRY CODE (if not in U.S.A.)
	3038	716131119171   1   1
		ON NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED
(11) PAYER (FRI	9	(12) PAYER (TIN)
0003-	7467-57	34927381010
		AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
	IF MORE T	IAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)
(13) APPLICANT	NAME	
(14) STREET AD	DRESS LINE NO. 1	
(15) STREET AL	DRESS LINE NO. 2	
(16) CITY		(17) STATE (18) ZIP CODE
(19) DAYTIME 1	TELEPHONE NUMBER (in	clude area code) (20) COUNTRY CODE (if not in U.S.A.)
	FCC REGISTRATIO	ON NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED
(21) APPLICANT	(FRN)	(22) APPLICANT (TIN)
		OR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET (24A) PAYMENT TYPE CODE (25A) QUANTITY
(23A) CALL SIG	N/OIHEKID	(24A) PAYMENT TYPE CODE   (25A) QUANTITY
(26A) FEE DUE F	OP (PTC)	(27A) TOTAL FEE FCC USE ONLY
62201.		[6] 22 20 1. 10 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
(28A) FCC CODE	• •	(29A) FCC CODE 2
(23B) CALL SIG	N/OTHER ID	(24B) PAYMENT TYPE CODE (25B) QUANTITY
(26B) FEE DUE F	OR (PTC)	(27B) TOTAL FEE FCC USE ONLY
(28B) FCC CODE	<u> </u>	(29B) FCC CODE 2
		<u>                                      </u>
		SECTION D - CERTIFICATION
(30) CERTIFICATION OF A CONTROL	TION STATEMENT	, certify under penalty of perjury that the foregoing and supporting information is true and correct to
	owledge, information and be	certify mixes perjuny of perjuny on perjuny
<del></del>	<del></del>	SECTION E - CREDIT CARD PAYMENT INFORMATION
(21)		OVISA ACCOUNT NUMBER: EXPIRATION
(31) MASTEI		A VIDIT ACCOUNT NOMBER.
	I hereby authorize the F	CC to charge my VISA or MASTERCARD for the service(s)/authorization herein described.
L VISA	SIGNATURE	DATE
		DAIL

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**Owest Services Corporation** 198 Inverness Dr. West Englewood, Colorado 80112 (800) 796-6220

Bank of America, N.A. Atlanta, Dekalb County, Georgia 5027922 CHECK NO.

PAY

SIX THOUSAND TWO HUNDRED TWENTY DOLLARS AND NO CENTS

TO THE ORDER OF

FEDERAL COMMUNICATIONS COMM. ACCOUNTING & AUDITS, COMMON CARRIER PO BOX 358140 PITTSBURGH PA 15251-5140

CHECK AMOUNT DATE 12/21/00 \*\*\*\*\*\*\*\*\*\*\*6,220.00

#5027922# #061112788# 329 996 7135#

THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICAL WATERMARK - HOLD AT AN ANGLE TO VIEW